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August 25, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Ex Parte Presentations in CS Docket No. 97-80, Implementation of
Section 304 of the Telecommunications Act of 1996 -- Commercial
Availability of Navigation Devices

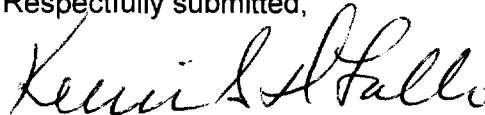
Dear Mr. Caton:

This will serve as notice that representatives of the Computing Technology Industry Association, the Information Technology Industry Council ("ITI"), and its members met today with Meredith Jones, William Johnson, John Wong, Nancy Markowitz, Tom Horan, and John Norton, to discuss ITI's and CompTIA's position on the Notice of Proposed Rulemaking in the referenced docket. In addition to the undersigned, Fiona Branton (ITI), Bruce Hahn (CompTIA), Virginia Bartlett (Sony) and Paul Schomberg (Matsushita) participated in the meeting. A copy of the handout that was used at the meeting is attached hereto.

Pursuant to Section 1.1206(a) of the Commission's Rules, 47 C.F.R. 1.1206(a), we are filing the original and one copy of this notice and the accompanying handout.

Questions concerning this matter can be directed to the undersigned.

Respectfully submitted,



Kevin S. DiLallo
Counsel for the
INFORMATION TECHNOLOGY
INDUSTRY COUNCIL

Attachment
278.05/Ex Parte 082597

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INFORMATION TECHNOLOGY INDUSTRY COUNCIL
AND
COMPUTING TECHNOLOGY INDUSTRY ASSOCIATION

EX PARTE PRESENTATION IN

CS DOCKET NO. 97-80,

Implementation of Section 304 of the Telecommunications Act of 1996 --

Commercial Availability of Navigation Devices

August 25, 1997

Commercial Availability of Navigation Devices

CS Dkt No. 97-80

- Consumers should have right to attach own CPE
 - Subject only to no-harm-to-the-network requirement
- Telephone CPE market provides model
- Exclusive agreements for manufacturing, distribution or licensing may inhibit commercial availability, should be “affiliations”
- FCC should allow industry to set standards

ITI & CompTIA
August 25, 1997

Commercial Availability of Navigation Devices

DISCLOSURE OF TECHNICAL INFORMATION

- Noncompetitive MVPDs should disclose interfaces and protocols
- Process would be similar to industry standards setting
- Goal should be “plug and play”
- Parties must have *bona fide* need for information
- Disclosing party to license IP on reasonable, non-discriminatory terms for reasonable compensation
- Disclosures should be timely and at high level of disaggregation
- Info re: MVPD systems presumptively disclosable; Info re: CPE presumptively non-disclosable

Commercial Availability of Navigation Devices

ANTI-SUBSIDY PROHIBITION

- Noncompetitive MVPDs to manufacture CPE only thru separate subsidiary
- Noncompetitive MVPDs should not bundle services and CPE
 - But discounts and promotional offerings should not be prohibited
- Must prevent subsidizing CPE with revenues from noncompetitive services
- One-stop shopping OK if no subsidization, prices stated separately
- Telephony model appropriate because technologies converging rapidly
- FCC needs bright line test for presence of subsidies, e.g., programming customers pay less for CPE than others who buy only CPE

ITI and CompTIA
August 25, 1997

Commercial Availability of Navigation Devices

SCOPE OF RULES

- Any noncompetitive MVPD should be subject to rules
- 3-part test should be applied within each service area an MVPD serves
- Test for exemption should be same as for sunset of rules:
 - MVPD should face effective competition in *both* its
 - product (equipment) and
 - service (programming) markets
 - Think close substitutes
- No arbitrary exceptions for type of CPE, service or provider
- 10% DBS penetration is not effective competition